

# **Final Budget Narrations- Dikgatlong Municipality 2014/15**



## **Executive Summary of Dikgatlong Municipality 2013/14**

The budget process of 2014/15 was informed by the previous year's budget priorities together with what has been identified as key priorities for 2014/15 financial year. Amongst other things the following informs all the decisions and provisions that need to be executed in the Council Adopted budget

**Vision:** "a financially viable municipality that provides sustainable services"

### **Mission**

To be a democratic, accountable and transparent local government by:

- Providing sustainable, affordable and economic viable services
- Promoting social and economic development
- Creating a safe and healthy environment for the community
- Ensuring effective governance and administration
- Financially viable municipality

The mission of the municipality would translate into the municipal strategic objectives, so that the municipality is able to achieve its mission.

### **Priority Issues**

---

#### **2013-2014**

- Housing and land
  - Storm water and Roads
  - Water
  - Sanitation
  - LED/Job creation
  - Early Childhood Development
  - Parks and Recreation
  - Multi-purpose Community Centre
  - Disaster Management
  - Street Lighting
- 

#### **2014-2015**

- Housing and Land
- Water
- Sanitation
- Waste Management
- Electricity

- Storm Water and streets
- Sports and Creation
- Health and Welfare
- Youth Economic and Development
- Disaster Management
- Safety and Liaison
- Institutional Development

These priorities are aligned with the **FBM 2014/15** priorities.

### **Budgeted Revenue/Income streams for 2014/15**

<b>Total Revenue</b>	<b>R110 520 000</b>
----------------------	---------------------

---

- |                        |             |
|------------------------|-------------|
| ➤ Property Rates       | R4 500 000  |
| ➤ Service Charges      | R38 200 000 |
| ➤ Investment Revenue   | R220 000    |
| ➤ Transfers Recognised | R55 180 000 |
| ➤ Other Revenue        | R12 420 000 |

### **Grants allocation 2014/15**

- |                                       |             |
|---------------------------------------|-------------|
| ➤ Equitable Share                     | R51 671 000 |
| ➤ Municipal Infrastructure Grant      | R20 010 000 |
| ➤ Financial Management Grant          | R1 800 000  |
| ➤ Municipal Systems Improvement Grant | R934 000    |
| ➤ EPWP                                | R1 192 000  |
| ➤ Regional Bulk Infrastructure Grant  | R5 000 000  |
| ➤ INEPG                               | R7 270 000  |
| ➤ Library Development/C A             | R784 000    |

---

<b>Total Grants</b>	<b>R88 661 000</b>
---------------------	--------------------

**The Municipal total Budget for current financial year 2014/15 inclusive- R199 181 000**

**55.487% of the budget is generated internally and the remaining 44.3513% comes in a form of grants.**

**Dikgatlong Municipality Listed Capital Acquisitions and Projects for 2014/5**

<b>Description</b>	<b>Funding Source</b>	<b>Project Total Cost</b>
Windsorton External water and Sewer to Kutlwano and Hibron park	MIG	R8 000 000
Windsorton Feasibility Study for sewer plant	MIG	R2 000 000
Delporthoop Feasibility Study water Treatment works	MIG	R510 000
Stilwater upgrading of Roads and storm water	MIG	R8 000 000
Stillwater sewer plant feasibility study	MIG	R1 500 000
<b>Total MIG Spend</b>		<b>R20 010 000</b>
Electricity Master Plan	FBDM	R1 000 000
Electrical Upgrading of Infrastructure	FBDM	R900 000
Construction Process controller at water treatment plant	FBDM	R500 000
Procurement of TLB	FBDM	R800 000
Procurement of a Truck	FBDM	R1 000 000
Procurement of a Cherry Picker	FBDM	R800 000

<b>Total FBDM Spend</b>		<b>R5 000 000</b>
New Call Centre application System	Internally Funded-Dikgatlong Municipality	R400 000
Windsorton/Holpan water plant	DWA	R5 000 000
Water pipeline in Buffer Zone	DWA	R2 000 000
<b>Total DWA Spend</b>		<b>R7 000 000</b>

**The Operational Expenditure for 2014/15 consists of the following:**

<b>Total Expenditure</b>	<b>R110 456 000</b>
--------------------------	---------------------

---

Employee Cost	R43 093 000
Councillor Remuneration	R3 313 000
Depreciation and Asset Impairment	R500 000
Interest Paid	R100 000
Bulk Purchases	R29 685 000
Other Expenditure	R33 765 000

**The surplus is R63 000**

The asset structure unbundled

<b>Total Assets</b>	<b>R23 500 000</b>
---------------------	--------------------

**Infrastructure**

➤ Electricity	R1 000 000
➤ Water	R8 000 000
➤ Sanitation	R14 000 000
➤ Other	R500 000

The large spent on sanitation is evident to the Municipality's priorities to eradicate the use of bucket system and ensuring that the new developments have a proper sanitation system in place.

These reflections are also shown on **CAPEX** of the Municipality.

The salary component has been structured per each unit or Department and its own expenditure.